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**DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE**

**MODIFICATION OF NATIONAL CUSTOMS AUTOMATION PROGRAM TEST
REGARDING ELECTRONIC PRESENTATION OF CARGO DECLARATIONS**

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: General notice.

SUMMARY: This notice announces modifications to the vessel paperless manifest program test that provides for the electronic transmission of certain vessel cargo declaration information to Customs through the Vessel Automated Manifest System (AMS). Specifically, the changes to the program test relate to the following: (1) Test participants must electronically transmit cargo declaration information to Customs through Vessel AMS 24 hours prior to lading the cargo aboard the vessel at the foreign port; (2) test participants must electronically transmit manifest information on empty containers to Customs through the Empty Container Module within Vessel AMS; and (3) Customs is discontinuing use of the paperless cargo declaration standards checklist that was developed for determining carrier compliance with the test. Public comments are invited on any aspect of the program test as further modified by today's announcement.

DATES: The effective date for test participants to transmit cargo declaration information 24 hours prior to lading the cargo aboard vessels at foreign ports is

December 2, 2002. The effective date for test participants to electronically transmit manifest data on empty containers to Customs through the Empty Container Module within Vessel AMS is June 2, 2003. Letters requesting participation in the test and comments concerning any aspect of the test will continue to be accepted throughout the testing period.

ADDRESSES: Written comments regarding the program test and letters requesting participation in the program test should be addressed to the Manifest and Conveyance Branch, Office of Field Operations, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., Room 5.2b, Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT:

For operational or policy matters: Julie Hannan, Manifest and Conveyance Branch, (202-927-1364); or Pete Flores, Manifest and Conveyance Branch, (202-927-0333).

For legal matters: Larry L. Burton, Office of Regulations and Rulings, (202-572-8724).

SUPPLEMENTARY INFORMATION:

BACKGROUND

On September 10, 1996, Customs published a notice in the **Federal Register** (61 FR 47782) announcing a program test to allow the electronic transmission of certain vessel cargo declaration information to Customs through the Automated Manifest System (AMS). The September 10, 1996, notice described the parameters and requirements of the test, informed interested members of the public of the eligibility and

application criteria for participation in the test, and requested comments concerning any aspect of the test. The test commenced on February 11, 1997, and, by a notice published in the **Federal Register** (62 FR 66719) on December 19, 1997, the program test was extended and modified with respect to the presentation of manifest information on empty containers. Since its inception, as noted, the test has been running successfully with 35 vessel carriers as participants.

PERTINENT ASPECTS OF CURRENT PROGRAM TEST

As prescribed in the September 10, 1996, program test notice, a participating vessel carrier must electronically transmit to Customs complete and accurate cargo declaration information no less than 48 hours prior to the actual arrival of the vessel at a port in the United States.

Furthermore, as modified by the December 19, 1997, notice, the program test provided that empty containers were to be manifested either by transmitting through the Customs Automated Manifest System (AMS) a list of the empty containers on board the vessel by port of discharge, or by providing the same list to Customs on paper, using a CF (Customs Form) 1302 Cargo Declaration.

Lastly, it is observed that, in implementing the program test, Customs developed a paperless manifest standards checklist for determining carrier compliance with all parameters and operating procedures established under the program test.

MODIFICATIONS TO THE VESSEL PAPERLESS MANIFEST PROGRAM TEST

Today's notice announces a number of changes to the above-described requirements and operating procedures for the vessel paperless manifest program test.

These changes to the program test are discussed below.

PRESENTATION OF INFORMATION 24 HOURS BEFORE FOREIGN LADING

Most significantly, today's notice modifies the program test to provide that test participants must electronically transmit required vessel cargo declaration information to Customs 24 hours before the cargo is laden aboard the vessel at the foreign port. This modification to the program test is necessary to ensure that test participants comply with the final rule document published in the **Federal Register** (67 FR 66318) as Treasury Decision (T.D.) 02-62 on October 31, 2002. The final rule document, T.D. 02-62, amended the Customs Regulations principally to require that vessel cargo declaration information be presented to Customs at least 24 hours prior to lading the cargo aboard the vessel at the foreign port.

In this regard, it is noted that T.D. 02-62 expressly informed the public that the vessel paperless manifest program test would be amended by the effective date of the final rule (December 2, 2002) so as to require participants in the test to abide by the 24-hour requirement for presenting required vessel cargo declaration information to Customs (67 FR at 66324). As explained in the final rule document, such advance presentation of vessel cargo declaration information to Customs is required and urgently needed in order to enable Customs to evaluate the risk of smuggling weapons of mass destruction through the use of oceangoing cargo containers before goods are loaded on vessels at a foreign port for importation into the United States, and for enforcement of other Customs law violations.

ELECTRONIC PRESENTATION OF EMPTY CONTAINER LISTS

Vessel carriers participating in the program test must electronically transmit to Customs lists of empty containers that are carried aboard any of their vessels destined for the United States. Also, any vessel carrier participating in the test that slot charters a vessel destined for the United States must electronically transmit any required lists of empty containers carried aboard the vessel for which that carrier is responsible. It is noted that there is no requirement that a bill of lading be associated with any empty container manifesting under the program test.

Moreover, as made clear in T.D. 02-62 (67 FR at 66328), all participants in the vessel paperless manifest program test must continue to file an empty container list with Customs 48 hours prior to the arrival of the vessel in the United States.

Lists Presented through Empty Container Module of Automated Manifest System

Beginning June 2, 2003, the electronic transmission of such empty container lists to Customs must be effected through the Empty Container Module of the Customs Vessel Automated Manifest System (AMS). To successfully effect such transmissions and continue participation in this empty container manifest program, test participants using the American National Standards Institute, Accredited Standards Committee X12 (ANSI, ASCX12) electronic format must convert to the latest version of that format (4010).

Initial Empty Container List; Re-transmitted Lists for Intermediate Ports

Specifically, 48 hours prior to the arrival of a vessel at the first port in the United States, the test participant, beginning June 2, 2003, must electronically transmit to Customs through the Empty Container Module an initial list of all empty containers

carried aboard the vessel, regardless of their anticipated port(s) of unloading. The electronically transmitted list must also reflect the foreign port of loading of each empty container.

Furthermore, if the vessel is thereafter proceeding coastwise, within 24 hours after the time of the vessel's arrival at the first United States port, and at least two hours prior to its estimated time of arrival at the next United States port, the test participant must retransmit the empty container list indicating all empty containers remaining on board the vessel from foreign as well as those domestic containers which were laden aboard at the previous United States port and which are to be discharged either at other United States ports or at foreign destinations. This same procedure of re-transmitting an updated listing of empty containers to Customs must be repeated for each intermediate port at which the vessel calls in the United States.

In addition, if empty containers were laden aboard the vessel at any preceding United States port, the re-transmitted empty container list must reflect the specific United States port where those containers were laden and, if applicable, the domestic port where such containers are to be discharged from the vessel. To accomplish this, the Census Schedule D code for the domestic port of lading or discharge, if applicable, must be included in the re-transmitted list in connection with such containers; these codes may be found in the port record (P01/P4).

Final Empty Container List After Arrival at Last United States Port

After the vessel has arrived at its last United States port of call and before the vessel proceeds foreign, the test participant is required to transmit a final updated

empty container list that must enumerate all empty containers then aboard the vessel; and if any of those containers were laden either at any preceding United States port and/or at the last United States port of call, the final empty container list must again specify each port where such containers were laden, with reference to the Census Schedule D code for that port. Customs presumes that all the empty containers in this final listing will be carried foreign.

Exception for Vessel Transporting Only Empty Containers

For any vessel destined to the United States carrying only empty containers, a test participant may transmit only one empty container list without also having to transmit the electronic equivalent of a cargo declaration for such containers; the empty container list must be transmitted 48 hours prior to the arrival of the vessel at the first port in the United States. However, if the vessel will call at multiple ports in the United States, an electronic equivalent of a cargo declaration covering all the ports at which the vessel will call in the United States must be transmitted to Customs prior to the submission of the empty container list.

Error in Transmitting Empty Container List

Customs wishes to advise that if the Empty Container Module registers or detects any error or omission in connection with information transmitted for any container included on an electronic empty container list, the entire list will fail to be processed through the system. In such a case, the information for the container must be corrected or included on the list and the list re-transmitted to Customs in its entirety.

Release of Empty Containers Unladen at a Port

Any empty containers that are unladen at a United States port will be considered automatically released from Customs custody, unless the local Customs office indicates by physical means (by telephone or facsimile notification) that some empty containers are to be held. No electronic status notifications will be generated related to the empty container list transmitted. The AMS Empty Container Module does not allow electronic holds to be placed on empty containers.

EVALUATIONS OF CARRIER COMPLIANCE; CHECKLISTS

In implementing the program test, Customs developed a paperless manifest standards checklist for determining carrier compliance with all test parameters and operating procedures required under the program test. However, this paperless manifest standards checklist and associated reviews that were established to evaluate carrier performance in the program test are being discontinued.

Anyone interested in participating in the test should refer to the test notice published in the September 10, 1996, **Federal Register** for eligibility and application information.

DATED: November 26, 2002

Jayson P. Ahern
Assistant Commissioner
Office of Field Operations